

NOVEMBER 5, 2007

MICHAEL W. DOBBINS
CLERK, U.S. DISTRICT COURT

07 C 6241

Defendant.

[illegible]

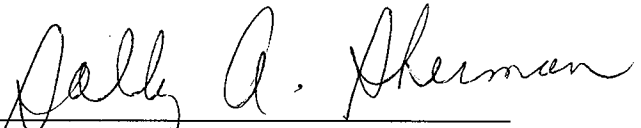
C.A. No.

JUDGE MORAN
MAGISTRATE JUDGE NOLAN

EXHIBIT 1

I declare under penalty of perjury that the foregoing is true and correct.

EXECUTED on this 31st day of October, 2007.



Sally A. Sherman

VEDDER PRICE

PEARL A. ZAGER
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CHICAGO • NEW YORK CITY • WASHINGTON, DC • ROSELAND, NJ

November 15, 2006

BY CERTIFIED MAIL
RETURN RECEIPT REQUESTED
AND REGULAR MAIL

NOV 22 2006

Lawyers Title Insurance Corporation
Consumer Affairs Department
P. O. Box 27567
Richmond, Virginia 23261-7561

Re: ALTA Owner's Policy File No. N 01040691
dated December 23, 2004
1200 North Ashland Avenue, Chicago, Illinois

Dear Sir/Madam:

We represent 1200 Ashland LLC, an Illinois limited liability company, the owner insured under the captioned owner's policy of title insurance. This letter constitutes a claim based on Location Endorsements 4 and 5 and Zoning Endorsement 3.1 to the policy.

The insured discovered that the survey prepared by Geopool CML Engineers Land Surveyors dated April 15, 2004 No. 04-074 does not accurately depict the exterior boundaries of the land or show the proper dimensions of said boundaries. Specifically, the majority of Lot 2 in Fish's subdivision, as more fully described in the third of five tracts within Parcel 1 of Exhibit A to Schedule A of the policy, should not be included in the land. Except for the northwest corner, it does not "fall within Lot 2 of the Assessor's Division aforesaid in Cook County, Illinois." As a result, the land described in Schedule A is not contiguous to each other. There is a gap approximately 25 feet wide by 100 feet long. A copy of the ALTA/ACSM Land Title Survey prepared by National Survey Service, Inc. dated May 11, 2006 No. N-126706 demonstrating these two defects is enclosed. These defects are insured under Location Endorsements 4 and 5.

In addition, upon its application for a building permit, the insured discovered that:

(a) According to applicable zoning ordinances and amendments thereto, the land is not classified B1-3 (Parcel 3) and B3-2 (Parcels 1 and 2). Instead, the land is classified as Business Planned Development No. PD300.

CHICAGO/#1572082.1

Rec 11/20/06 by K.C.

Exhibit A

VEDDERPRICE

Lawyers Title Insurance Corporation
November 15, 2006
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(b) The insured's intended construction of dwelling units above the ground floor is not allowed under the correct classification.

These defects are insured under Zoning Endorsement 3.1.

As a consequence, title is unmarketable, and the appraisal value of the land has decreased by \$3,073,120.00.

We hereby demand that you promptly reimburse 1200 Ashland LLC for the sum of \$3,073,120.00 plus attorneys' fees and costs to resolve this matter in the amount of \$10,000.00, which continue to accrue, for a total reimbursement of not less than \$3,083,120.00.

Sincerely,



Pearl A. Zager

PAZ/lf
Enclosure

cc: Jeffrey Brand, Esq. (w/o enc.)
Karen P. Layng, Esq. (w/o enc.)